

Message Text

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PAGE 01 BOGOTA 08057 292221Z
ACTION ARA-14

INFO OCT-01 ISO-00 AGRE-00 CEA-01 CIAE-00 DODE-00
EB-08 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04 ITC-01
TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01 /098 W
-----104661 292225Z /72

R 291851Z AUG 77
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 3457
INFO USDOC WASHDC
AMCONSUL MEDELLIN
AMCONSUL BARRANQUILLA
AMCONSUL CALI

UNCLAS BOGOTA 8057

E.O. 11652: NA
TAGS: ETRD, CO
SUBJECT: INCREASE OF ADVANCE PAYMENT AND ESTABLISHMENT OF
ADDITIONAL DEPOSITS FOR IMPORTS

REF: (A) BOGOTA 9023; (B) BOGOTA 12772

1. GOC HAS INCREASED ADVANCE PAYMENT DEPOSIT FOR IMPORTS
FROM 30 TO 35 PERCENT OF TOTAL FOB COST OF IMPORTED
MERCHANDISE, AS OF JULY 1, 1977. THIS DEPOSIT, WHICH
MUST BE PLACED BY IMPORTERS AT THE CENTRAL BANK, ANYTIME
PRIOR TO NATIONALIZATION LEGALIZATION OF THE MERCHANDISE,
IS REQUIRED BY BOTH CUSTOMS AUTHORITIES TO LEGALIZE IMPORTATION
AND BY THE CENTRAL BANK FOR THE ISSUANCE OF EXCHANGE LICENSE
TO PAY THE EXPORTER ABROAD. MEASURE WAS ENACTED BY THE
MONETARY BOARD IN RESOLUTION 43 OF JUNE 22, 1977.
EXEMPTIONS FROM THIS RESOLUTION ARE THE SAME AS REPORTED
IN REFTEL A.

2. ON JULY 13, 1977, THE MONETARY BOARD BY ENACTING RESOLUTION
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46, ESTABLISHED ADDITIONAL DEPOSIT REQUIREMENTS FOR IMPORTS,
EFFECTIVE JULY 14, 1977, AS FOLLOWS:
A. A DEPOSIT OF 40 PERCENT OF THE TOTAL VALUE OF IMPORTATION
MUST BE MADE TO IMPORT RAW MATERIALS AND CONSUMER GOODS. THIS
DEPOSIT MUST BE PLACED BY IMPORTERS WHEN APPLYING FOR EXCHANGE LICENS
ES
AT THE CENTRAL BANK. AN EXCHANGE LICENSE MAY BE OBTAINED ANYTIME

BETWEEN THE BILL OF LADING DATE AND A FIVE MONTHS TERM
ESTABLISHED BY GOC TO FULLY PAY IMPORTATION.

B. A DEPOSIT OF 60 PERCENT OF THE TOTAL VALUE OF IMPORTATION MUST BE
MADE TO IMPORT CAPITAL GOODS AND OTHER PRODUCTS. THIS DEPOSIT
MUST BE PLACED BY IMPORTERS AT THE CENTRAL BANK WHEN APPLYING
FOR AN EXCHANGE LICENSE TO PAY THE EXPORTER ABROAD. IMPORTS OF THESE
ITEMS ARE EXEMPTED FROM THE 35 PERCENT ADVANCE PAYMENT
DEPOSITS AS INDICATED IN REFTEL A AND HAVE A MAXIMUM TERM
OF THREE YEARS, WHICH CAN BE EXTENDED UP TO FIVE YEARS TO
FULLY PAY FOR IMPORTATION. IN THE EVENT THAT THE IMPORTER
WISHES TO MAKE PARTIAL PAYMENTS ABROAD, HE HAS TO PLACE
A DEPOSIT OF 60 PERCENT OF THE VALUE OF EACH PAYMENT
WHEN APPLYING AN EXCHANGE LICENSE.

C. WHEN THE EXCHANGE LICENSE IS FINALLY ISSUED BY THE
CENTRAL BANK TO COVER TOTAL COST OF IMPORTATION, THE
IMPORTER PAYS FOR IT WITH LOCAL CURRENCY AS FOLLOWS:
CASE A-RAW MATERIALS AND CONSUMER GOODS. 35 PERCENT
ADVANCE PAYMENT DEPOSIT CERTIFICATE, 40 PERCENT AD-
DITIONAL DEPOSIT CERTIFICATE, AND THE REMAINING 25
PERCENT IN EXCHANGE CERTIFICATES (CERTIFICADOS DE
CAMBIO) AVAILABLE ON THE BOGOTA STOCK EXCHANGE.
CASE B- CAPITAL GOODS AND OTHER PRODUCTS. 60 PERCENT
DEPOSIT CERTIFICATE AND 40 PERCENT IN EXCHANGE CERTIFICATES
(CERTIFICADOS DE CAMBIO).

3. COMMENT: THE ABOVE MEASURES HAVE BEEN TAKEN TO
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ACCELERATE PAYMENT FOR IMPORTS AND REDUCE THE MONEY
SUPPLY BY DRAINING LOCAL CURRENCY FROM THE SYSTEM.
HOWEVER THE MEASURES INCREASE THE COST OF IMPORTATION
BY ABOUT 8 PERCENT FOR GROUP A AND ABOUT 4 PERCENT FOR
GROUP B. ACCORDING TO BOR OFFICIALS THERE ARE NO MAJOR
CHANGES FORESEEN IN THE NEAR FUTURE REGARDING ENFORCEMENT
OF THESE MEASURES.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE LAW, BANK DEPOSITS, IMPORTERS, LICENSES
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BOGOTA08057
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770312-0480
Format: TEL
From: BOGOTA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770814/aaaaalic.tel
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Litigation Codes:
Litigation History:
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Subject: INCREASE OF ADVANCE PAYMENT AND ESTABLISHMENT OF ADDITIONAL DEPOSITS FOR IMPORTS
TAGS: ETRD, CO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/380c5851-c288-dd11-92da-001cc4696bcc
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